General Terms and Conditions (B2B) for sourcing from Hilscher
Gesellschaft für Systemautomation mbH

The following general terms and conditions apply to the entire business relationship with our business clients. The business client acknowledges the validity of these terms and conditions as binding for the present contract and in the respective valid version also for all future transactions, even if their validity is not separately referred to. Any deviating agreement requires our express written confirmation. The buyer waives the right to assert their own terms and conditions of purchase and/or general terms and conditions and/or forms. Neither our silence nor delivery shall make them content of the agreement. In any case, the buyer submits to the validity of our GTC by accepting the delivery or service.

I. Proposals

Our proposals are always non-binding. Illustrations, dimensions and weights as well as any details otherwise are also not binding. We reserve the right to design modifications. Ancillary agreements of any kind require our confirmation (in writing or text form) in order to be valid; deviating descriptions in drawings are only valid if they have been specified in detail without any doubt.

II. Scope, Execution and Date of Delivery

Deliveries are made in accordance with our operational conditions. We do not guarantee that a delivery date will be met. If the buyer defaults on the payment of an earlier delivery, we shall have the right to withhold deliveries with no obligation to compensate for any resulting damage. If we are prevented from punctual fulfillment of the agreement due to disruptions in manufacturing or delivery at our facility or that of our suppliers, for example as a result of a force majeure, traffic disruption, strike or lockout, the delivery deadline shall be extended within reason. The buyer may only rescind from the agreement by providing us a reasonable grace period in writing after expiration of the extended deadline. The rescission must be made in writing if we do not deliver within the extended deadline. If it becomes impossible for us to fulfill the contract for the reasons stated in the third sentence of this paragraph, we shall be released from our obligation to deliver. We shall notify the buyer immediately if it becomes impossible for us to fulfill the contract. Damage claims on the part of the buyer due to default or non-fulfillment shall be excluded. We shall have the right to partial deliveries.

Our obligation to execute the order shall commence at the earliest when the buyer has met all technical and legal prerequisites for execution which were described in the contract or in information provided to the buyer prior to the conclusion of the contract or which the buyer should have known due to relevant expertise or experience. The buyer is obliged to provide us with all documents necessary for the execution of the order in a timely and complete manner and to inform us of all processes and circumstances that may be of importance for the execution of the order. This shall also apply to documents, processes and circumstances which only become known during our activities.

The buyer assures that all software products and data carriers handed over by him do not contain any viruses or similar harmful programs and that they have been checked on the basis of an up-to-date virus protection at the time of handover.

If the buyer fails to comply with this obligation to cooperate, our execution shall not be deemed defective - solely with regard to the fact that the execution is not complete as a result of incorrect customer information. If the start of performance or execution is delayed or interrupted by circumstances attributable to the buyer, execution deadlines shall be extended accordingly and agreed completion dates shall be postponed accordingly.
The buyer shall arrange for the necessary approvals by third parties as well as notifications and approvals by authorities at its own expense.

Changes or deviations from the performance to be rendered by us which are reasonable for the buyer, in particular because they are minor and objectively justified, shall be deemed to have been approved in advance.

If, for whatever reason, the order is modified or supplemented after the order has been placed, the delivery/performance period shall be extended by a reasonable period of time.

The performance of services can, in principle, be split up. A legal review for conformity with the law is not part of the order and is the sole responsibility of the buyer.

I. Default of Acceptance

Buyers shall be in default of acceptance if they refuse acceptance for longer than 2 weeks or are in default of advance performance or otherwise and, despite being granted a reasonable period of grace, fail to remedy the circumstances attributable to them which delay or prevent the performance of the service.

This shall not affect our right to demand payment for services rendered and to withdraw from the contract after a reasonable period of grace.

III. Prices

Unless otherwise agreed, invoicing shall be at the prices applicable on the date of delivery. The prices do not include sales tax, which shall be itemized separately. Prices indicated in the online shop may already include value added tax. If this is the case, we will add a note accordingly on our website.

Unless otherwise expressly agreed or stated, the price does not include packaging, loading and transport equipment, assembly and assembly aids, freight, customs duties and import and export duties. Deliveries and services not included in the price shall be charged according to actual time and material expenditure.

IV. Payment

Our invoices are payable within 30 days of the invoice date, unless agreed upon otherwise. However, we may make delivery dependent on immediate payment. If the payment deadline is exceeded, we are entitled to charge interest at 9% points above the respective base interest rate of the European Central Bank without a special reminder.

The buyer only has the right to offset, retention or reduction, even if a notice of defects or counterclaims have been asserted, if said counterclaim has been legally established or is undisputed. The buyer is not entitled to withhold payments due to incomplete total delivery, warranty or guarantee claims or complaints. Offsetting is only possible due to counterclaims from the same contractual relationship.

We are entitled to suspend our services or to demand the (partial) cancellation of the contract in case of default of payment. If the business buyer defaults on payment within the framework of other contractual relationships existing with us, we shall also be entitled to suspend performance of our obligations under this contract until fulfillment by the buyer.
V. Retention of Title

Until full payment of all our present and future claims arising from the purchase contract and an ongoing business relationship (secured claims), we retain title to the goods sold. The goods subject to retention of title may not be pledged to third parties or assigned as security before full payment of the secured claims. The buyer must inform us immediately in writing if an application is made to open insolvency proceedings or if third parties (e.g. seizures) have access to the goods belonging to us. In case of breach of contract by the buyer, in particular in case of non-payment of the due purchase price, we shall be entitled to withdraw from the contract in accordance with the statutory provisions or/and to demand surrender of the goods on the basis of the retention of title. The demand for surrender of goods does not at the same time include the declaration of withdrawal; we are instead entitled to demand only the surrender of the goods and to reserve the right of withdrawal. If the buyer does not pay the purchase price due, we may only assert these rights if we have previously set the buyer a reasonable deadline for payment without success or if setting such a deadline is dispensable according to the statutory provisions. Until further notice in accordance with (c) below, the buyer shall be entitled to resell and/or process the goods subject to retention of title in the ordinary course of business. In this case, the following provisions shall apply in addition.

(a) The retention of title shall extend to the products resulting from the processing, mixing or combining of our goods at their full value, whereby we shall be deemed to be the manufacturer. If, in the event of processing, mixing or combining with goods of third parties, their right of ownership remains, we shall acquire co-ownership in proportion to the invoice values of the processed, mixed or combined goods. Otherwise, the same shall apply to the resulting product as to the goods delivered under retention of title.

(b) The buyer hereby assigns to us, as security, all claims against third parties arising from the resale of the goods or the product in total or in the amount of our co-ownership share, if any, pursuant to the preceding paragraph. We accept the assignment. The obligations of the buyer stated in sent. 2-3 shall also apply in respect of the assigned claims.

(c) The buyer shall remain authorized to collect the claim in addition to us. We undertake not to collect the claim as long as the buyer meets his payment obligations towards us, there is no deficiency in his ability to pay and we do not assert the reservation of title by exercising a right pursuant to sent. 4-6. If this is the case, however, we are entitled to demand that the buyer inform us of the assigned claims and their debtors, provide us with all information necessary for collection, hand over the relevant documents and inform the debtors (third parties) of the assignment. In addition, in this case we shall be entitled to revoke the buyer's authorization to further sell and process the goods subject to retention of title.

(d) If the actual value of the securities exceeds our claims by more than 10%, we shall release securities of our choice at the buyer's request. If the reserved goods are sold by the buyer together with other goods that do not belong to us at a total price, the assignment shall only be made in the amount that we invoiced the buyer for the reserved goods that were included in the sale. In the event that the buyer's claims from the resale are included in a current account, the buyer hereby also assigns to us its claims from the current account against its buyers. The assignment shall apply in the amount that we calculated for the resold reserved goods. Until further notice, the buyer shall have the right to collect the claims assigned to us. In the event that circumstances arise at the buyer which, in our opinion, no longer justify the granting of a target, the buyer shall grant us access to its accounting records for the purpose of determining assigned claims; provide us with all information and submit documents as well as grant us access to the reserved goods still in its possession upon request, send us a precise list of the goods, separate the goods and hand them over to us. If the value of this
security exceeds the amount of our accounts receivable by more than 20%, we shall, upon
the buyer’s request, at our discretion release the security. The buyer must immediately notify
us in writing if the reserved goods or the receivables assigned to us are seized by third
parties and provide us any necessary assistance in our attempts to intervene.

VI. Packaging and Shipping

We deliver in packaging that complies with trade and/or commercial principles. Demonstration of
impeccable packaging is the unconditional acceptance of the goods by the freight forwarder or carrier.
Interior packaging and boxes are charged at our own costs and may not be returned. Goods are
shipped ex our factory. We have the right, but are not obligated, to purchase transport insurance
coverage on behalf of the buyer and to charge our costs for said coverage. If the shipment is delayed
by more than 14 days due to circumstances for which the buyer is responsible, we are entitled to
charge storage fees in the amount of 5.00 EUR/sqm per month or to store the goods at the buyer’s
expense with a third party authorized to do so. On the date of the acceptance delay, the risk of
accidental deterioration and accidental loss shall pass to the buyer.

VII. Passing of Risk

We deliver FCA “Free Carrier”/“Frei Frachtführer”, Rheinstrasse 15, 65795 Hattersheim, Germany in
accordance with Incoterms 2020. All shipments, including any returns, are transported at the risk of
the buyer.

VIII. Warranty

The goods shall be delivered in terms of their design and quality as is customary for us at this time. The
warranty consists of the fact that within the warranty period we will remedy defects which are
demonstrably due to material or manufacturing defects, at our discretion, either by repairing the defect
free of charge or by supplying a replacement. The warranty obligation shall not apply if the notification
of defect is not asserted promptly, if the buyer or third party has tampered with the products, if the
defect is the result of natural wear, was caused by unfavorable operating conditions or is due to
violations against our operating regulations or against rules of good electrical engineering practice, or if
our request to return the defective object is not promptly complied with. For products from
subcontractors, we shall only in thus far assume a warranty if the subcontractor has granted us a
guarantee.

If goods or services are manufactured or provided according to the buyer’s instructions, we only
ensure manufacture according to the instructions given. A warranty for the actual usability or a
specific suitability is excluded. We shall only be liable for breach of the duty to warn if we were aware
of the unsuitability of the instruction. The warranty obligation for equipment we produce is 24 months,
calculated as of the date of delivery ex works.

For software, said warranty is 12 months as of acceptance/purchase. If, despite all due care taken, the
delivered product should have a defect, which already existed at the time of the transfer of risk, it shall
be at our discretion to either repair the product or to deliver a replacement product, subject to timely
notification of defect. We shall always be given the opportunity to provide supplementary performance
within a reasonable period of time. Legal rights of recourse remain unaffected by this rule without
restriction. The execution of subsequent delivery or improvement on multiple occasions is permissible.
If subsequent fulfillment fails twice, the buyer may, at its discretion, either reduce the purchase price by
a reasonable amount or rescind from the agreement. We shall retain ownership to parts that were
replaced and no longer used for the ordered goods. For accessory parts that do not originate from our
production, the delivery terms of the respective sub-supplier shall apply. The warranty is in any case
exhausted with the amount of the invoice for the part in question. Claims for subsequent damage shall be excluded. Rejected goods returned to us must be professionally packaged.

IX. Liability

1) Unless otherwise stipulated in these GTC including the following provisions, we shall be liable for a breach of contractual and non-contractual obligations in accordance with the statutory provisions.

2) We shall be liable for damages - irrespective of the legal grounds - within the scope of fault liability in the event of intent and gross negligence. In the case of simple negligence, we shall be liable, subject to statutory limitations of liability (e.g. care in own affairs; insignificant breach of duty), only

   a) for damages resulting from injury to life, body or health,

   b) for damages resulting from the breach of an essential contractual obligation (obligation, the fulfillment of which enables the proper execution of the contract in the first place and on the compliance with which the contractual partner regularly relies and is entitled to rely); in this case, however, our liability shall be limited to the compensation of the foreseeable, typically occurring damage.

3) The limitations of liability resulting from para. 2 shall also apply to third parties as well as in the case of breaches of duty by persons (also in their favor) whose fault we are responsible for according to statutory provisions. They shall not apply insofar as a defect has been fraudulently concealed or a guarantee for the quality of the goods has been assumed and for claims of the buyer under product liability law.

4) The buyer may only withdraw from or terminate the contract due to a breach of duty that does not consist of a defect if we are responsible for the breach of duty. A free right of termination on the part of the buyer (in particular pursuant to §§ 650, 648 BGB (German Civil Code)) shall be excluded. In all other respects, the statutory requirements and legal consequences shall apply.

Claims for damages against us shall be excluded irrespective of the nature of the breach of duty, including tortious acts, unless intentional or grossly negligent conduct is involved. The burden of proof for the intentional or grossly negligent damage lies with our contractual partner. Excluded from this is the liability for defective products, which cannot be excluded by law, insofar as a human being is injured, killed or suffers damage to health as a result. Liability for material damage resulting from a product defect (in the sense of liability for defective products which cannot be excluded under the law and which is not based on fault), including all companies involved in the manufacture, import and distribution, is excluded if the damage occurs in the supply chain. Recourse claims by the buyer or subsequent purchasers who have paid compensation on the basis of product liability are hereby contractually excluded, unless the party entitled to recourse proves that the defect was caused within the sphere of our company and was at least due to gross negligence. The contract concluded between the parties does not contain any protective obligations in favor of third parties. This shall also apply if it is foreseeable that a third party is the recipient of the delivery or that third parties come into contact with the delivery. All claims for damages, including claims arising from consequential harm caused by a defect, shall be limited - to the extent permitted by law - to the damage that we foresaw or could have foreseen as a possible consequence, but no more than the simple value of the delivery. Claims for compensation of lost profit are excluded, as are claims for compensation of expenses for interruption of operations, recall situations, loss of production or indirect damages due to the delivery of goods that are not in conformity with the contract. The aforementioned exclusion from liability shall also apply to our workers, employees, representatives and vicarious agents.
X. Repairs

A repair shall not be guaranteed if no defect report has been submitted. For repairs, any complaints must be asserted no later than within one week after receipt of the device or completion of the repair. For any hidden defects, the notification must in any event be submitted within the warranty period. The warranty conditions as defined in clause IX shall apply accordingly.

XI. Product Labeling; Protective Rights

Any modification of our goods and any labeling which could be considered as a mark of origin of the buyer or a third party or which could give the impression that the goods are the product of the buyer or a third party are not permitted. If third parties should assert justified claims to property rights, we shall, at our discretion and at our expense, obtain a license for the goods sold as such or replace them with goods that are free of property rights. If this is not possible for legal or technical reasons, or unreasonable from a commercial standpoint, we shall accept the returned goods in exchange for reimbursement of the purchase price. In the case of goods manufactured according to the specifications of the buyer, we do not assume any liability for the non-infringement of third-party property rights; this also applies if we have participated in the development or have developed the goods according to the buyer’s specifications.

XII. General

Should individual provisions of the GTC be ineffective or unlawful, the remaining provisions shall remain effective. In this case, the contracting parties undertake to immediately agree on such a provision in place of the invalid provisions that comes closest to the economic purpose of the invalid provisions and the economic objective of the contracting parties.

The buyer gives its express consent that personal data concerning the buyers may be processed (within the meaning of data protection law), disclosed or transmitted to the extent that this is necessary, expedient or provided for by law for the performance of the contract. Under these circumstances, the buyer expressly declares his consent to his data being stored and processed by us with the aid of automation.

XIII. Place of Performance, Competent Court

All disputes and differences of opinion arising out of and in connection with any legal transaction based on the GTC, including any dispute as to its formation or validity, shall be subject exclusively to the jurisdiction of the competent ordinary court in Frankfurt am Main, Germany. The place of performance is Frankfurt/Main. The application of the UN Convention on Contracts for the International Sale of Goods is excluded.

XIV. Special Notes

It is strictly prohibited to use Hilscher products for military purposes or in weaponry; for designing, engineering, maintaining or operating nuclear systems; in flight safety systems, aviation and flight telecommunications systems; in life-support systems; in systems in which any product malfunctions might result in physical or fatal injuries, inasmuch as the use of the products relate to or may relate to the functional safety of the system or functions relevant to safety.

Here, allow Hilscher to point out here that the various communication protocols may be subject to third-party rights. Insofar as the use, reproduction, distribution or the provision of public access of the program affect third-party rights - in particular network technology patents and/or the rights of its user organizations - the Licensee shall independently acquire the relevant rights. Especially field bus
technology uses patents whose utilization is allowed free of charge for the members of field bus user organizations (e.g. PROFIBUS Nutzerorganisation e.V.). If you are not a member, please contact the relevant field bus user organization for the acquisition of user rights. For quality management purposes of the field bus user organization, the obligation to certify a field bus device may be mandatory. Please refer to the relevant user organization in this regard.

The delivered product is subject to the legal export and/or import laws as well as any associated regulations of various countries, especially such laws applicable in Germany and in the United States. The products may for example not be exported into such countries for which export is prohibited under US American export control laws. You shall hereby agree to yourself be responsible for observing all applicable laws. In addition, the General Terms and Conditions of Delivery for Products and Services of the Electrical Industry shall apply insofar as these do not conflict with these Terms and Conditions. By issuing a purchase order, the buyer agrees to our delivery terms as solely definitive.

You can find the German version at www.hilscher.com/de/legal/agb. The German version takes priority.